



## PRESIDENCY OF THE REPUBLIC OF TURKEY INVESTMENT OFFICE

### GDP Growth in 2019

The economy of Turkey has expanded by 0.9% in 2019 compared to 2018. According to the chain linked volume index (2009=100) expenditure approach, net exports (2.3 ppt.) and stock and inventories (1.2 ppt.) have contributed to the economic growth most. In addition, government (0.6 ppt.) and private (0.4 ppt.) expenditures have become other contributors to the economic growth. Contrarily, investment expenses cut down the annual growth by 3.6 ppt.

Real GDP Growth in 2019		
	Annual percentage change compared to last year	Percentage Point (ppt) Contribution to Growth
Private Consumption	0.7%	0.4
Government Consumption	4.4%	0.6
Investment Expenditure	-12.4%	-3.6
Net Exports (Export - Import)		2.3
Export	6.4%	1.5
Import	-3.6%	0.8
Stock Changes		1.2
GDP Growth	0.9%	0.9

Source: Turkish Statistical Institute (TurkStat)

### 4<sup>th</sup> Quarter 2019 GDP Growth

Following 2.0%, 1.1% and 0.8% in the first three quarter of this year, the economy of Turkey has continued to expand by 1.9% quarter-on-quarter in the fourth quarter of 2019, supporting V-shape recovery pattern.

Moreover, following 1.0% annual growth in the third quarter of 2019, the economy continued to register a positive annual growth rate of 6.0% in the fourth quarter of 2019. The trend in the annual growth data suggests a strong signal implying that the economic growth is returning back to its long-term (potential growth) path.

The chain linked volume index (2009=100) expenditure approach below shows that private and government consumption, and stock and inventories have contributed to growth by 3.9 ppt., 0.4 ppt. and 6.7 ppt., respectively. Contrarily, investment expenses, with a slower pace though, continued to pull down the growth by -0.2 ppt. Moreover, whilst export continued to contribute to the growth by 1.0 ppt., net export posted negative contribution of -4.8 ppt., as it did in the previous quarter, due to the increase in import, reflecting the recovery in the



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domestic economic activity. The positive contribution of stock and inventories and the increase in import are perceived as the signals of higher consumption and investment in the upcoming quarters.

Real GDP Growth in the Fourth Quarter of 2019		
	Percentage change compared to same quarter of previous year	Percentage Point (ppt) Contribution to Growth
Private Consumption	6.8%	3.9
Government Consumption	2.7%	0.4
Investment Expenditure	-0.6%	-0.2
Net Exports (Export - Import)		-4.8
<i>Export</i>	4.4%	1.0
<i>Import</i>	29.3%	-5.8
Stock Changes		6.7
GDP Growth	6.0%	6.0

Source: Turkish Statistical Institute (TurkStat)